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Subject: Joint Weeka No. 26 for State, Army and Air Departments from SA

SUMMARY

Collapsing like a house of cards, the elaborate political structure erected by the Communists over a ten-year period fell on June 27 when Jacobo ARBENZ resigned from the Presidency. The successes of the forces of Lt. Col. Carlos CASTILLO Armas in the relatively distant Departments of Chiquimula and Zacapa and their air superiority were sufficient to topple the Arbenz regime from power despite the initiation by the Inter-American Peace Commission of an investigation which if carried forward could presumably have greatly hampered the aerial operations of the insurgents. The regime fell basically because the Army apparently had no heart in a fight to protect the Communists and the populace had even less taste for sacrifice for their cause. Thus it was demonstrated that the Communists' domination of the country was an artificial thing, built upon merely their control over the Presidency but lacking a control over the real sources of power.

Following the fall of President Arbenz, the reins of Government transferred four times, each move carrying them further from the left, until they came to rest, temporarily at least, in the hands of a Junta composed of Colonel Elfego MONZON, as President, Lt. Col. José Luis CRUZ Salazar, Lt. Col. Mauricio DUBOIS, Lt. Col. Carlos Castillo Armas, and Major Enrique OLIVA. The first three are carry-overs from a Junta set up to take over the Guatemalan Government and to negotiate with the rebels and, in theory at least, represent the regular Guatemalan Army. Major Oliva is from the forces of Castillo Armas.

The present organization of the Junta is intended as temporary and under it the Junta is to elect within two weeks a Permanent Junta President to hold office until a national election of the President of the Republic can be held. The Junta election

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is generally expected to go to the designee of Lt. Col. Castillo Armas who is the popular hero of the Liberation and who is vociferously supported by large active groups within the country. Monzón, on the other hand, represents the regular Army and his primary concern seems to be to preserve the dignity of that organization. Viewed with suspicion by the supporters of Castillo Armas because of his having remained in the Arbenz Cabinet, and without popular support, he seems destined to play a transitory role in Guatemalan politics and to suffer a waning political importance in the future. Among the regular Army officers Castillo Armas has an undetermined support, and it is probable that even in the present Junta he commands a majority, despite the apparent alignment of Cruz and Dubois with Monzón. Whether Castillo Armas will choose to take the Presidency of the Junta is likely to hinge upon his future political ambitions; if he wishes to become President of the Republic, he may give the Presidency of the Junta to one of the other members, while if he does not seek the Presidency of the Republic, he may assume the Presidency of the Junta.

As to the policies of the new Government, it is still too early to speculate. Among the supporters of Castillo Armas are moderates and extreme conservatives. Strangely enough, Castillo's own position is a mystery, and hence affords no clue as to the direction which the new Government will take.

MILITARY ASPECTS OF FALL

Details of the military phases of the struggle between the insurgent or "Liberation" forces and those of the Government are still not available, but it appears that following the crossing of the Honduran frontier on June 18 into Guatemala, Col. Castillo Armas and a small number of followers rallied many local Guatemalans to their banners. For several days after the launching of the rebellion the rebels made tentative movements in the lower Motagua Valley, occupying Gualán, Panaluya and Entre Rios, while they entered the Department of Chiquimula near Esquipulas, but later abandoned most of the river valley to concentrate their attack on Chiquimula and the Zacapa area. By the end of the fighting on about June 29, the rebels had occupied Chiquimula, were on the outskirts of Zacapa, and had greatly demoralized the regular Guatemalan forces. The rebels owed their superiority to their high morale, the fire power of their automatic weapons, their ample supply of mortars, and their domination of the air. The Guatemalan Army, which should have given a good account of itself with the large quantities of weapons it had recently received from behind the Iron Curtain, lacked a will to fight, and was greatly frightened by the rebel air superiority, while the terrible confusion of the Army supply service left men in the field without food for days. Although in the future the Communists will no doubt claim that the Arbenz Government fell because it was unable to cope with the rebel air superiority, the regular Army had many advantages

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in the form of greater initial numbers, the large quantity of war materials recently received, and the possession of artillery and tanks. The real shortcoming of the regular Army appears to have been a lack of will to fight and a breakdown of leadership.

CRIMES AGAINST ANTI-COMMUNISTS

In the last days of the Arbenz regime, the Government unleashed a desperate reign of terror against the anti-Communists within the country. The number of arrests increased greatly until the jails and prisons of the capital and all departmental centers were jammed. The police murdered dozens of prisoners and tortured scores of others. Spurred by a feeling of near panic and unhampered by constitutional restrictions, the police, many of whom were newly inducted civilians, searched homes and arrested suspects on the vaguest of denunciations. The names of Col. Rogelio CURZ Wer, the Chief of the uniformed police (Guardia Civil), and Major Jaime ROSENBERG, Chief of the secret police (Guardia Judicial), will long be remembered in Guatemala as symbols of sadism.

With the freeing of the anti-Communists, the arrests of the Communists and fellow travelers began, and it is estimated that over 1,000 supporters of the former Government are now imprisoned.

POLITICAL ASYLUM

One of the peculiar aspects of the whole affair has been the shifting tides of refugees flowing into and out of the asylum of the foreign diplomatic missions. By June 27 several hundred anti-Communists were present in foreign diplomatic missions as political refugees, the number in the Salvadoran Embassy approaching 150, while lesser numbers were present in the Panamanian, Colombian, and other embassies. On June 28 and 29, the anti-Communists poured out of the missions, and the Communists and fellow travelers flooded in, so that at the present time there are believed to be nearly 1,000 of the latter stripe in refuge, the Mexican Embassy housing an estimated 560, the Argentine Embassy 182, the Chilean 76, the Costa Rican 38, the Salvadoran 35, the Ecuadoran 33, and other embassies lesser numbers. The elite, or scum, of the old Government are concentrated particularly in the Mexican Embassy where President Arbenz, Foreign Minister Toriello, former Secretary General of the Communist Party José Manuel Fortuny, former Chief of the Armed Forces Col. Carlos Enrique Diaz, and many lesser lights have the advantages of each others very close proximity. Members of the Junta have unofficially expressed the determination to consider with great care the granting of safe conducts to those in asylum, and to issue them only to persons not wanted for common crimes.

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Not known to be in asylum, but much wanted by the authorities, are the former Chiefs of Police Cruz Ler and Rosenberg, and the Communist labor leader, Carlos Manuel PELLECER. The first two are understood to have reached Mexico after suddenly departing from the Argentine Embassy. Pellecer last appeared on the Pacific Coast where he was reported to be attempting to arouse the peasants to resist the new Government, but following the failure of this attempt, he disappeared from view.

CHRONOLOGY OF EVENTS OF WEEK

As a chronology of the many events of the week, there are set down below each day's developments as seen from the Embassy. This chronology does not include developments on the military front, since the Embassy still has very sketchy knowledge of them.

Friday, June 25. On this day the uprising had been in progress for one week. The city was filled with rumors of police activity, but heartening reports of rebel progress on the front and of the great drop in the morale of the regular Army circulated freely in the capital. The radio network, completely in the Government's hands, issued repeated calls for labor and student brigades to report for duty.

Saturday, June 26. No new developments, except that summons to brigades were most insistent, and rumors of rebel successes continued to reach the city.

Sunday, June 27. A rebel aircraft at 7:10 a.m. bombed the British vessel Springfjord loading coffee and cotton at the port of San José. The 1100 net registered ton vessel burned and became a total loss but without casualties. Reliable report reached the Embassy that Carlos ALDANA Sandoval, Guatemalan Minister of Communications and Public Works, had sought asylum in Salvadoran Embassy. This was first open evidence of impending collapse of Guatemalan Government.

Foreign Minister Toriello called Ambassador Peurifoy to the Foreign Office at 11:00 a.m. where he appealed to him to stop the fighting, suggesting the formation of a military Junta to take over the Government. He asked whether it would be necessary for President Arbenz to leave office as prelude to peace, and insisted to the Ambassador that he (Guillermo Toriello) and his brother, Jorge, had always been anti-Communists. The Ambassador replied that he could not speak for rebels as to what would be their terms.

Shortly after the Ambassador returned from the Foreign Office, Col. Diaz, then Chief of the Armed Forces, telephoned urging the Ambassador to come to the Colonel's quarters for a meeting with Diaz and several other officers. At the meeting Diaz stated that the Army could no longer stand up against the air attacks of the rebels, and asked that the United States use its good offices to

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end the fighting. After much talk he said that he would immediately demand that President Arbenz turn over the Presidency to him, and he promised to round up all of the Communist leaders. The other officers present were given the task of making the Army ready to move against Arbenz if necessary.

In a second conversation that afternoon, Díaz informed Ambassador Peurifoy that Arbenz had agreed to broadcast a speech at 9:00 that evening in which he would resign his office.

At 9:00 p.m. all local radio stations broadcast Arbenz' recorded speech turning over Presidency to Díaz. The speech was a bitter, Communist-line declaration, accusing the United States of arranging for the overthrow of the Guatemalan Government "under the pretext of Communism". He stated that the aviators bombing Guatemala were North Americans.

Díaz appointed replacements for Cruz Wer and Rosenberg as Chiefs of Police and ordered the arrest of the Communist leaders, Victor Manuel Gutiérrez, José Manuel Fortuny and Carlos Manuel Pellecer. Gutiérrez was actually arrested but was released after a few hours, apparently on direct orders from Díaz. Whether Fortuny or Pellecer were ever arrested is not clear, but, if so, they were promptly released.

Monday, June 28. Ambassador Peurifoy at meeting with Cols. Díaz, Sánchez, Castillo and Monzón at 4:00 a.m. stated that in view of character of the speech which they had allowed Arbenz to broadcast, the Ambassador could not offer good offices to Díaz' Government. They discussed the appointment of Col. Monzón as President in place of Díaz, a proposal to which Díaz agreed to give the Ambassador a definite answer at noon.

At 11:45 Díaz issued a decree entrusting executive power to a Junta composed of Monzón, Díaz and Sánchez, the former Minister of Defense under Arbenz.

This Junta issued decrees declaring the Communist Party illegal, and imposing martial law on country.

At meeting with Ambassador Peurifoy shortly after noon, Díaz explained that the decision to form a Junta instead of entrusting power solely to Monzón had been necessary to insure the Government the support of the regular Army. He said that Monzón, as a known anti-Communist, would be a guarantee of the anti-Communist character of the new Government, and particularly that the anti-Communist prisoners would not be mistreated, although they could not be freed while fighting with Castillo Armas continued. The Ambassador pointed out that the Junta members should approach Castillo Armas if they wanted to make peace, but they were reluctant to agree to this.

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At 5:00 p.m. the Junta agreed to meet with Castillo Armas, provided he would order a cease fire while the talks were in progress.

During the afternoon, Castillo Armas' two planes appeared over City bombing a little used military base, the attack obviously being intended as a demonstration of his strength and of his view of the composition of the Junta.

Tuesday, June 29. Ambassador Peurifoy and Junta conducted a fruitless discussion from 2:00 a.m. to after 4:00 a.m. over the manner in which the Junta would propose holding discussions with Castillo Armas.

At 4:45 a.m., Lt. Col. Mauricio Dubois and Lt. Col. José Luis Cruz Salazar forced Días and Sánchez out of the Junta and they entered it, naming Monzón as President of the Junta. Díaz later fled to asylum in the Mexican Embassy while Sánchez has remained in his home. Neither Cruz nor Dubois were previously prominent, but both appeared to be sound Army men and Cruz was known to be pro-American.

All anti-Communist political prisoners were freed during the morning.

The Junta dissolved Congress and appointed certain Government officials, including new Chiefs of Police replacing those appointed the previous day.

The Junta made arrangements for conversations to begin in San Salvador on July 1 between its representatives and Castillo Armas.

Jubilation was general throughout Guatemala City.

Wednesday, June 30. A temporary cease fire agreement to permit negotiations was accepted by the two forces.

Col. Monzón, representing the Junta, went to San Salvador where he entered into negotiations with Lt. Col. Castillo Arma Monzón was accompanied by Eduardo CACERES Lehnhoff and Juan as advisors, while the Papal Nuncio went along as official and the Salvadoran Ambassador as representative of the host ernment. The party traveled in the plane of the United St Attaché. The conversations, which extended from 2:00 in th noon until the early hours of the morning, left the two par far apart and seemed on the point of breaking down altogeth despite the efforts of President OSORIO of El Salvador at mediation. The force of Castillo Armas felt that they had won a victory and were, accordingly, entitled to their own terms, while Monzón was insisting on a settlement which would preserve the dignity of the Regular Army.

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Thursday, July 1. In the face of an impending breakdown in the peace conversations and the renewal of hostilities, Ambassador Peurifoy flew to San Salvador where he persuaded the two parties to come to terms in the course of a lengthy discussion which lasted until nearly dawn on Friday. The terms involved the setting up of the five-man Junta.

Friday, July 2. The radios announced the reaching of a settlement in El Salvador and a holiday was proclaimed. Celebrations began immediately. Word reached the city of plans which had been made in San Salvador for the return of Castillo Armas, Monzón and other members of the party to Guatemala City that day, and large crowds gathered at the Airport and lined the streets shouting their enthusiasm for Castillo Armas. They waited several hours before they dispersed without any of the party's returning. Actually, Castillo Armas had agreed to return to the City that day in company with the others, but had instead flown to Chiquimula, his headquarters, to consult. Apparently he had considerable difficulty in persuading his followers there that he had not been swindled out of his victory.

Saturday, July 3. Castillo Armas, Monzón and the other members of the party returned to Guatemala City together. Once more crowds thronged the Airport and lined the streets and this time they were gratified by seeing the victors. The crowd directed all of its attention to Castillo Armas and, while they were not hostile to Monzón, they simply displayed no interest in him and treated Castillo Armas as the man of the hour and the Liberator of his country.

For the Ambassador:

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